

Introducing Hertel Modern Pty Ltd

Welcome to the first Newsletter under the banner of Hertel Modern .

The Australian Shareholders and Management of Modern Industries Australia are pleased to announce that, in keeping with the company's growth strategy, as of 6 July 2010 we are now part of the Hertel BV international group of companies.

Hertel BV has acquired a 51% stake in Modern Industries Australia Pty Ltd from the local shareholders and management.

Hertel BV is a privately owned company founded on 1 August 1895 and is now a major industrial services group operating globally with revenues in excess of AUD\$1.2b and over 14,000 employees.

Along with the added strength of Hertel BV behind the company comes a name change from Modern Industries Australia Pty Ltd to Hertel Modern Pty Ltd.

Going forward, the Hertel Modern Pty Ltd management and day to day operations will not change however we expect the size of our company to increase substantially as we target some major LNG contracts in our region and other long term maintenance works through the Hertel global relationships with major blue chip clients.

If you have any questions or would like more information, please do not hesitate to contact Andrew White or the company representative you have most contact with and we will be pleased to assist.

The Australian shareholders, management and staff welcome the new interest and support of Hertel BV in growing the company and together we look forward to a bright future.

Why the change?

Managing Director Andrew White has been asked this question many times by a number of people over the passed few weeks as the introduction of Hertel to Australia began to leak out through the jungle drum network so we thought it might be useful to publish the responses in the form of Frequently Asked Questions (FAQ's). We hope you find the responses informative.

Q. Why Hertel?

Both companies were looking for a complimentary skill and capability set which together we satisfy completely.

Hertel reputation in the European, Middle East and Asian markets is well known to us. We knew Hertel was not active in Australia and we knew of the Hertel desire to participate in the LNG sector which is very strong in Australia.

Modern's Australian management team has considerable international experience from the UK & Europe, Africa, South America, the Middle East and of course South East Asia and the Pacific. We have particular experience in LNG projects but required a stronger balance sheet to compete for a number of major upcoming LNG projects against our international competitors.

The Hertel Modern Team now hits all the buttons in the LNG sector in Australia:

- Specific LNG experience in Australia and internationally
- Proven ability to meet client project objectives re Safety, Schedule, Budget & Quality
- Strong Safety culture and track record
- Industry leading Indigenous participation and development programme

- Solid Industrial Relations record and union relationships
- Local resources with the experience and cooperative attitude
- Australian Management Team with global experience on major projects
- Strong balance sheet

We now make a compelling case for our clients to choose Hertel Modern over any other competitor in the LNG sector as well as for our usual services.

Q. How do you see the opportunities for Hertel Modern in Australia?

The Australian market for Hertel Modern is strong.

The LNG sector in particular is set to propel Australia to be the largest LNG exporter in the world in the next 10 years with major new projects already underway in the Pilbara and Kimberley regions of the remote North West of Western Australia and new projects planned across the country, particularly on the East Coast where an abundance of Coal Seam Gas (CSG) is the new feedstock for proposed LNG projects in Queensland.

Additionally, the mining sector is recovering from the setback of the GFC with commodity demand out of China and India supporting the long term growth picture. We have been providing structural, mechanical and piping (SMP) construction services to this sector for a number of years and look forward to growing this service with the growth of the industry and the support of the Hertel global team.

This growth also means additional government funding for vital infrastructure development of our rail and port facilities used to export the mineral wealth of the country. We are active in all these areas.

Q. How will Hertel Modern add to the Hertel global experience?

With Hertel growing around the world, we hope to contribute with our experience in South East Asia, Africa and South America, all of which offer considerable opportunities to the group. Our experiences in these regions will enable Hertel to reduce the risk of entering new markets and achieve growth targets successfully and in the earliest possible time frames.

Q. How will the Aussie's fit into the Hertel team?

Our Australian team has been welcomed into the Hertel Group and as Hertel CEO, Joost Knoll, mentioned when here in Perth recently, we now have 14,000 new colleagues around the world! We look forward to working with everyone and welcoming you to Australia.

More to come:

Over the next few days a short information leaflet will be distributed to our various sites and clients to help introduce the Global Hertel Group Australia